



Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-36)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-36 with attached transmittal and policy justification.

Dated: August 28, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

AUG 06 2012

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-36, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Saudi Arabia for defense articles and services estimated to cost \$850 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "William E. Landay III".

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 12-36
 Notice of Proposed Issuance of Letter of Offer
 Pursuant to Section 36(b)(1)
 of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Kingdom of Saudi Arabia
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 0 million |
| Other | <u>\$850 million</u> |
| TOTAL | \$850 million |
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Follow on support and services for the Royal Saudi Air Force (RSAF) aircraft, engines and weapons; publications and technical documentation; airlift and aerial refueling; support equipment; spare and repair parts; repair and return; personnel training and training equipment; U.S. Government and contractor technical and logistics support services; and other related elements of logistical and program support.
- (iv) Military Department: Air Force (CCZ, Amd #7)
- (v) Prior Related Cases, if any:
- FMS case CCZ - \$48.4M – 12Aug02
- FMS case GAG - \$38.0M – 4Apr10
- FMS case KCZ - \$95.4M – 27Feb07
- FMS case KDB - \$120.0M – 15Feb10
- FMS case QAY - \$147.4M – 5Jun10
- FMS case QBI - \$250.0M – 16Jun10
- FMS case QDE - \$202.4M – 15Mar06
- FMS case QZQ - \$54.3M – 5May04
- FMS case QZX - \$62.4M – 24Dec03
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None
- (viii) Date Report Delivered to Congress: 6 August 2012

POLICY JUSTIFICATION

Kingdom of Saudi Arabia – Follow-On Support

The Kingdom of Saudi Arabia has requested a possible sale of follow-on support and services for the Royal Saudi Air Force aircraft, engines and weapons; publications and technical documentation; airlift and aerial refueling; support equipment; spare and repair parts; repair and return; personnel training and training equipment; U.S. Government and contractor technical and logistics support services; and other related elements of logistical and program support. The estimated cost is \$850 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been, and continues to be, an important force for political stability and economic progress in the Middle East.

Saudi Arabia needs this follow on support to continue to procure maintenance and logistical support in order to sustain the combat and operational readiness of its existing aircraft fleet.

The proposed sale of this support and services will not alter the basic military balance in the region.

There is no prime contractor involved in this proposed sale. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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